

PROPOSED ORDINANCE

San Diego Municipal Code Chapter 2: Government

Article 2: Administrative Code

Division 29: Performance Based Budgeting and Management Program

§22.2901 Purpose and Intent

The purposes of this Division are to—

- a) improve the confidence of taxpayers in the operational efficiency of the City of San Diego, by systematically holding City Departments accountable for achieving program results;
- b) initiate program performance reform in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;
- c) improve Municipal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;
- d) help city managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;
- e) improve Council decision-making by providing more objective information on achieving legislative objectives, and on the relative effectiveness and efficiency of municipal programs and spending;
- f) improve internal management of the City Government;
- g) Reduce waste and inefficiency in City Departments which undermine public confidence and reduce the City of San Diego's ability to provide essential services in an effective and cost efficient manner.

§22.2902 Definitions

1. For purposes of this **§22.2905** Division, the following terms shall be defined as:

- a) 'Department' means any city department, agency, board, office, division, or commission with an operating budget over one million dollars;

- b) 'outcome goals' means an explanation of the intended results of programs, activities, and expenditures of a Department;
- c) 'performance measure' means the tabulation, calculation, or quantitative recording of the public impact of Department activity compared to its intended purpose;
- d) 'performance target' means the specific and defined intended level of service which a Department will attempt to achieve for a performance measure.

§22.2903 Strategic Planning

Each City Department shall develop and maintain a four year strategic plan that includes:

- a) A Mission statement reflecting the programs and authorities administered by the Department;
- b) A discrete set of outcome goals that reflect the results to be achieved for the public by the Department during the lifecycle of the strategic plan;
- c) Strategies for achieving the outcome goals complete with performance targets and baseline information if available;
- d) A set of performance measures measuring the level of effectiveness in accomplishing outcome goals and strategies;
- e) Identification of external factors facing the department and beyond its control that could significantly affect the achievement of the general goals and objectives; with a discussion of how the Department shall attempt to mitigate the impact of these external factors;

The strategic plan shall cover a period of not less than four years forward from the fiscal year which it is submitted, and shall be updated and revised every four years;

When developing a strategic plan, the department shall seek input from Council members, and shall solicit and consider the views and suggestions of customers, city residents, and those entities potentially affected by or interested in such a plan;

§22.2904 Performance Management and Budgeting

With submission of the City budget each year, each City Department shall also submit an Annual Performance Plan for the coming fiscal year. Each Annual Performance Plan shall contain –

- a) No more than 2-3 outcome-oriented performance measures, complete with performance targets and baseline information if available;
- b) No more than 2-3 transformational measures capturing improvements and enhancing operational efficiencies complete with performance targets and baseline information if available;

- c) The number of full-time equivalent employment positions with an identification of which outcome goals if any, their work product is intended to support;
- d) Approximate budgeted funds to be dedicated towards each Department goal;
- e) Any other performance or financial information that the Mayor, Council or City Auditor may deem necessary to fully understand the relationship between resource levels requested in the Department budget and specific goals and performance targets to be achieved by the Department.

§22.2905 Mid-Year Modifications

The Mayor has authority approve changes up to two percent of the annual budget for a Department without approval of the City Council provided that there is no material impact on the stated goals or measures of the Department.

§22.2906 Performance Reporting

1. With submission of the City Budget each year, each City Department shall also submit to the Mayor and City Council an annual performance report for the preceding fiscal year. A report shall contain –
 - a) For each performance target the actual program performance achieved;
 - b) When a performance target has not been met, an explanation shall include:
 1. Why the target has not been met, and what the department intends to do to improve performance in the coming fiscal year;
 2. If the performance target is deemed not useful, impractical or infeasible, why that is the case and what alternate measure or target is to be used.
2. Each Department shall post its performance measurements and targets online, and shall report actual performance achieved on a quarterly basis.